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*State Budget and Control Board*  
OFFICE OF HUMAN RESOURCES

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SAMUEL L. WILKINS  
DIRECTOR

**MEMORANDUM**

TO: Agency Heads and Human Resources Directors of all Agencies, Departments, Institutions of Higher Education, Boards and Commissions

FROM: Samuel L. Wilkins, Director  
Office of Human Resources

DATE: May 17, 2006

SUBJECT: Employee Pay Plan Provisions for Fiscal Year 2006-2007

The current version of the FY 2006-2007 General Appropriation Bill as passed by both the House and the Senate authorizes funds for base pay increases for classified employees, unclassified employees, and agency heads. A Joint House and Senate Conference Committee is expected to consider the General Appropriation Bill in the near future. Once the Conference Committee has completed its work, the bill must be approved by the General Assembly and the Governor.

The following information is provided for each employee category to assist agencies in preparing to implement the provisions of the 2006-2007 employee pay plan should the current version be approved. Based on the funds provided for compensation increases, the first pay date that occurs on or after July 1, 2006, is the effective date for a general increase for classified employees and a variable increase for unclassified employees.

I. Employees in Classified Status

Effective on the first pay date which occurs on or after July 1, 2006, the compensation of all classified employees shall be increased by 3%. With the exception of the minimum of the pay band 1, this increase shall also move the minimum and maximum of the pay band upward by 3% and the midpoint will be adjusted accordingly.

## II. Employees in Executive Compensation and Other Non-Academic Unclassified Employees

At its meeting on May 16, 2006, the Budget and Control Board established the following guidelines for pay increases for Executive Compensation System and other non-academic unclassified employees: "Agencies are authorized to award annual pay increases to Executive Compensation System and other non-academic unclassified employees from 0% to 6% effective on the first pay date which occurs on or after July 1, 2006." The Office of Human Resources is also authorized to approve increases greater than 6% for Executive Compensation and other non-academic unclassified employees. We will provide you with a listing of your agency's Executive Compensation position(s) and the new pay range(s) associated with each position at a date closer to the effective date of the increases.

## III. Unclassified Faculty Employees

At its meeting on May 16, 2006, the Budget and Control Board established the following guidelines for pay increases for unclassified faculty employees: "Agencies are authorized to award annual pay increases to faculty employees from 0% to 6% or increases up to an annual salary of \$75,000, whichever is greater, effective on the first pay date which occurs on or after July 1, 2006." Additionally, our office is authorized to approve exceptional pay increases greater than 6% when the new salary is above \$75,000. For exceptional pay increases, agencies must submit to our office a list of any faculty member requested to receive an exceptional increase, the amount of increase, and the reason for awarding the increase. Please format any exceptional requests in a manner that will include: (1) employee name, position number, current title and discipline, (2) current salary, proposed salary and percentage increase, (3) external and internal discipline average salary and data source, and (4) reason for salary increase.

## IV. Agency Heads

The Agency Head Salary Commission shall recommend to the Budget and Control Board salary increases for agency heads. Agency head increases shall be effective on the first pay date that occurs on or after January 1 of the current fiscal year. No agency head shall be paid less than the minimum of the pay range nor receive an increase that would have the effect of raising the salary above the maximum of the pay range.

Agency heads not reviewed by the Agency Head Salary Commission shall receive an annual increase of 3% effective on the first pay date which occurs on or after July 1, 2006.

After the legislative session has ended, we will inform you of all enacted legislation that affects human resources issues. Should you have any questions regarding any aspect of this year's pay plan provisions, please contact your HR Consultant at (803) 737-0900.